



THE MISSOURI BUDGET

FISCAL YEAR 2007

GOVERNOR MATT BLUNT

THE MISSOURI BUDGET

FY 2007 BUDGET OVERVIEW GENERAL REVENUE FUNDING INCREASES (millions of dollars)

Available Resources

Increased Collections	\$318.5
Unobligated Fund Balance	276.9
Core Review Savings	<u>101.9</u>
	\$697.3

Spending Priorities

Mandatory	\$546.5
Discretionary	<u>150.5</u>
	\$697.0

Core Review Savings

Medicaid	\$44.5
Debt	14.8
Office of Administration/Leasing	12.7
Health	7.6
Revenue	6.2
Corrections	2.4
All Other	<u>13.7</u>
	\$101.9

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FY 2007 GOVERNOR'S RECOMMENDED GENERAL REVENUE NEW DECISION ITEMS SUMMARY (millions of dollars)

Mandatory

Medicaid	\$237.3
Elementary and Secondary Education	181.5
Debt	37.4
Corrections	28.5
Employee Health Care	28.2
Social Services	7.2
Homestead Preservation	2.0
Other	<u>24.4</u>
Subtotal	\$546.5

Discretionary

Pay Plan	\$60.7
Healthcare Technology	25.0
Higher Education	17.1
In-Home Provider Rate	10.9
Alternative Fuels	5.9
Tourism	4.5
Athlete and Entertainer Distribution	4.5
Capital Improvements	4.4
Other	<u>17.5</u>
Subtotal	\$150.5

Grand Total	<u>\$697.0</u>
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FISCAL YEAR 2007 STATE WORKFORCE CHANGES

Agencies Under Governor's Control

Elementary and Secondary Education	-18
Higher Education	0
Revenue	0
Office of Administration	-41
Agriculture	-1
Natural Resources	-14
Economic Development	-43
Insurance	-2
Labor and Industrial Relations	-56
Public Safety	+78
Corrections	+37
Mental Health	-142
Health and Senior Services	+28
Social Services	-47
Governor	<u>0</u>
Subtotal	-221

Other Agencies

Transportation	0
Conservation	0
Lt. Governor	0
Secretary of State	7
Auditor	0
Treasurer	0
Attorney General	12
Judiciary	8
Public Defender	0
General Assembly	<u>0</u>
Subtotal	27

Grand Total Workforce Changes **-194**

Above does not include the transfer of 1,034 employees from various departments to the Office of Administration for the centralization of information technology functions.

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Executive Summary Governor Matt Blunt's Fiscal Year 2007 Budget

To make education the state's number one priority, Governor Blunt recommends:

- \$137.2 million increase for the foundation formula, including \$15 million for the new Small Schools Program.
- \$6.1 million for the state's High Need Fund.
- \$1.8 million increase for the A+ Schools Program.
- \$1 million increase for the Parents as Teachers Program.
- \$33,006 for a children's summer reading program.
- \$17.1 million increase for Missouri's public two- and four-year colleges and universities (see page 12).

For Missouri's children, Governor Blunt recommends:

- \$146.3 million for Missouri's State Children's Health Insurance Program, which includes a \$10.4 million increase.
- \$200,000 for youth mentoring through Amachi mentoring programs.
- \$1 million for the Department of Health and Senior Services to institute a new tobacco prevention program. The \$1 million comes from the Healthy Family Trust Fund -Tobacco Prevention Account, which receives its money from the tobacco Master Settlement Agreement and any future settlements from additional participating tobacco companies.
- \$493,864 to help reduce Missouri's youth suicide rates through increased awareness, education, intervention, and evaluation.
- \$276,750 to provide follow-up screening for newborns that test positive for Cystic Fibrosis.
- \$6.4 million to fund rate increases for residential care facilities that provide for children in the care of the departments of Mental Health and Social Services.
- \$2.6 million to establish a Child Support Call Center to streamline the structure and workflow for the enforcement of child support obligations.
- \$785,040 for the Department of Mental Health to partner with St. Louis to establish a substance abuse treatment program for teens.

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To create high quality, family supporting jobs in Missouri, Governor Blunt recommends:

- \$38.5 million from the state's tobacco Master Settlement to expand life sciences in Missouri.
- \$394,457 for additional staff for the sales and finance teams, which are a part of the reorganization of the Department of Economic Development.
- \$10 million for the Jobs Retention Training Program.
- \$4.5 million for additional tourism programs to promote travel to, and within, Missouri. This will bring tourism funding to \$17.8 million.
- \$2.5 million for the Promote Missouri Program to advertise the benefits of doing business in Missouri.
- \$150,000 to create new Innovation Centers around the state.
- \$1 million for port capital improvements.

To protect innocent life, Governor Blunt recommends:

- \$169,512 to support the state's Alternatives to Abortion Program. This will bring funding to \$1.5 million.

To improve Missourians' health, the Governor recommends:

- \$6 billion for Missouri's Medicaid Program. An additional \$658.1 million new funding, which includes \$275 million additional state general revenue dollars.
- \$6.1 million emergency supplemental to fund Missouri's Utilicare program which provides assistance with heating costs to elderly, disabled, and low-income families.
- \$25 million in state funds to establish a Health Care Technology Fund that will support projects to explore new innovative ways that technology can improve the delivery of care, reduce administrative burdens, and address fraud, waste, and abuse.
- \$100,000 to investigate Medicaid fraud. Governor Blunt has directed the Department of Social Services to contract with a private agency to verify and investigate selected Medicaid cases.
- \$700,000 to establish and expand Community Health Centers in Hannibal, Jefferson City, Naylor and Poplar Bluff. This will bring state funding for these centers to \$8.7 million.

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- \$2.4 million for the AIDS Drug Assistance Program which provides medication to persons who are HIV positive. Early treatment is important as it reduces the spread of disease to others, and decreases the number of AIDS cases and deaths by stopping the progression of the disease. This will increase funding for the program to \$16.1 million.

For elderly and disabled Missourians, the Governor recommends:

- \$27 million to provide a \$1 per hour rate increase to ensure quality care is being delivered to individuals receiving in-home services. This increase, combined with other executive new decision items, will bring funding for the in-home services program to \$416.7 million.
- \$44.2 million to cover prescription drugs for 150,000 elderly and disabled individuals who qualify for Medicare, and \$20.6 million to cover increased pharmacy costs for elderly and disabled clients through the Medicaid Program. These two items bring the Medicaid Pharmacy Program to \$661.8 million.
- \$50,000 for a senior center in Worth County—the only Missouri county without a senior center.
- \$16.1 million to serve additional seniors through the Department of Health and Senior Services' home and community-based service and senior meal programs.
- \$2.6 million and 48 staff to increase the inspections of Missouri nursing homes and residential facilities. This will bring total funding to \$5.5 million.
- \$2 million to fund the Homestead Preservation Tax Act which gives a tax credit for qualified senior citizens and disabled taxpayers providing relief from burdensome increases in local property taxes.
- \$1.4 million to increase monthly Blind Pension benefits from \$510 to \$541 per month. This will bring funding to \$24.2 million.
- \$1.1 million for the Senior Nutrition Program, which will provide increased funding for congregate and home-delivered meals.
- \$531,340 to increase funding for Alzheimer's services administered by the Department of Health and Senior Services.
- \$300,000 to administer the New Freedom Program to provide public transportation services for persons with disabilities.

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To protect Missouri families, assist Missouri's law enforcement officials, and prevent crime, Governor Blunt recommends:

- \$500,000 to update Missouri's mitigation plans for eliminating or reducing long-term risk to human life and property from natural and technological hazards, and bring Missouri up-to-date and eligible to receive all available federal disaster assistance.
- \$9 million for the third and last year of a phased-in pay increase for Missouri's state Highway Patrol troopers.
- \$2.4 million and seven staff for the first phase of an upgrade for the Southwest Missouri Crime Laboratory in Springfield. When the lab is fully staffed in Fiscal Year 2009, the state's investment will be \$1.75 million annually for ongoing lab operations.
- \$1.3 million to upgrade vehicle safety features on state Highway Patrol vehicles with fire suppression systems, side impact air bags, and safer radio racks.
- \$753,491 for the new Missouri Information Analysis Center, which will serve as a central base for intelligence sharing and analysis among law enforcement and emergency personnel at all levels of government.
- \$396,465 for emergency warning equipment for vehicles used by Highway Patrol officers, including those assigned to the Gaming Commission.
- \$300,000 for equipment upgrades for the state's Highway Patrol crime labs. This equipment will identify substances used in drug cases.
- \$200,000 for a new armored vehicle for the Special Emergency Response Team.
- \$144,000 to support the DWI tracking system and Fatality Analysis Reporting System.
- \$100,000 for investigative funds to help bust drug dealers across the state.
- \$58,500 to provide ongoing flight training for the Highway Patrol's pilots.
- \$49,600 for new tactical entry vests for the Special Emergency Response Team.
- \$350,000 for a law enforcement center at Lake of the Ozarks State Park.

To protect Missourians and aid in the rehabilitation of offenders, Governor Blunt recommends:

- \$1.6 million to open additional community supervision centers to support the Department of Corrections' efforts to manage the prison population efficiently and effectively. This increase brings total funding to \$3.5 million.
- \$2 million for renovations needed to open two new sexual offender units.
- \$1.9 million to address increasing commitments by the courts to the Biggs Maximum Security Unit at Fulton State Hospital.
- \$1.7 million to operate an additional treatment unit to confine sexual offenders.

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- \$2.1 million for the continuation and expansion of existing Missouri Drug Courts to assist offenders with rehabilitation and address the root cause of problems that contribute to criminal activity.
- \$252,019 for the Department of Corrections to implement the satellite tracking of 30 high-risk, repeat sexual offenders.
- \$120 million in bond proceeds to build a new women's prison to replace the Chillicothe Correctional Center for Women.

To support Missouri's agriculture industry, Governor Blunt recommends:

- \$5.3 million to support biodiesel production payments anticipated in Fiscal Year 2007.
- \$625,000 for the Ethanol Producer Incentive Fund to support ethanol production and maintain current efforts to fulfill commitments made in previous years. This brings total funding to \$8.6 million.
- \$483,000 to support boll weevil eradication efforts for Missouri's 483,000 acres of cotton.
- \$15,000 to enhance Missouri livestock exports through a Quality System Assessment Program that will verify cattle origin and age for foreign market buyers.

To care for Missouri's veterans and emphasize Missouri's commitment to those who serve in the military, Governor Blunt recommends:

- \$2 million for overtime costs to ensure quality care to the veterans residing at Missouri's seven veterans' homes.
- \$1.5 million for increased pharmaceutical and other costs at veterans' homes.
- \$831,854 to provide a pay adjustment for critical nursing staff working in veterans' homes.
- \$115,391 for the Veterans Service Officer Program to provide additional staff that will assist Missouri veterans in accessing benefits provided through the federal Department of Veterans Affairs.
- \$200,000 for the Missouri Military Family Relief Fund to help provide for the financial needs of families of the Missouri National Guard and Reservists on active duty.
- \$1.9 million to maintain security at Air National Guard bases in St. Joseph and St. Louis.

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- \$304,080 to support National Guard armories for St. Joseph and Fort Leonard Wood.
- \$99,992 to provide start-up costs for the new armories located in Dexter, Pierce City, and an addition at Chillicothe.
- \$82,820 to ensure ongoing funding to staff the Veterans' Ombudsman Program.

For safe and efficient transportation, Governor Blunt recommends:

- \$405 million additional funds for road and bridge construction and maintenance.
- \$5 million for additional federal Transportation Enhancements Program funds. These funds can be used to enhance the appeal of Missouri by increasing the number of sidewalks, bike lanes, and trails. This brings total program funding to \$20 million for Fiscal Year 2007.
- \$2 million for the Safe Routes to School Program.
- \$1.9 million for the Small Urban and Rural Transportation Program, which will provide more access to public transportation in non-urbanized areas and support to small city transit systems.
- \$400,000 to maintain daily, round-trip passenger rail service between St. Louis and Kansas City.
- \$382 million available from Amendment 3 bond proceeds to be used for road and bridge projects.

To maintain a high-performing, efficient workforce, Governor Blunt recommends:

- \$93.6 million for a four percent pay raise for all employees (see page 13).
- \$38 million to continue to provide the state's share for health insurance coverage for state employees.
- \$11.9 million to provide an adjustment for critical state positions with high turnover rates that are the most difficult to fill, including corrections officers, nurses, and certain state law enforcement officers (see page 13).
- \$9 million for the third and last year of a phased-in pay increase for Missouri's State Highway Patrol troopers.

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To protect Missouri's environment, Governor Blunt recommends:

- \$1.6 million to enhance water resource assessment and monitoring statewide, ensuring the safety and quality of the state's water.
- \$1.1 million to enhance voluntary regulatory compliance through initial customer assistance visits.
- \$286,638 to determine applicable water quality standards for selected bodies of water throughout the state.

Department of Higher Education Institution FY 2007 Increased Funding

Institution	FY 06 TAFP Budget	2% Inflationary Increase		MCCA Equity Adjustment	Equity Adjusted 2% Inflationary Increase		Percentage Increase
		FY 07 Increase	FY 07 Governor Rec		FY 07 Increase	FY 07 Governor Rec	
Crowder College	4,501,655	90,033	4,591,688	(22,958)	67,075	4,568,730	1.5%
East Central College	5,225,206	104,504	5,329,710	(26,649)	77,855	5,303,061	1.5%
Jefferson College	7,666,780	153,336	7,820,116	(39,101)	114,235	7,781,015	1.5%
Metropolitan Community College	31,851,545	637,031	32,488,576	(162,443)	474,588	32,326,133	1.5%
Mineral Area College	5,023,128	100,463	5,123,591	(25,618)	74,845	5,097,973	1.5%
Moberly Area Community College	4,854,349	97,087	4,951,436	39,505	136,592	4,990,941	2.8%
North Central Missouri College	2,479,665	49,593	2,529,258	(12,646)	36,947	2,516,612	1.5%
Ozarks Technical Community College	9,363,824	187,276	9,551,100	212,625	399,901	9,763,725	4.3%
St. Charles Community College	7,013,917	140,278	7,154,195	207,882	348,160	7,362,077	5.0%
St. Louis Community College	45,799,718	915,994	46,715,712	(233,578)	682,416	46,482,134	1.5%
State Fair Community College	5,325,886	106,518	5,432,404	(27,162)	79,356	5,405,242	1.5%
Three Rivers Community College	4,232,393	84,648	4,317,041	90,143	174,791	4,407,184	4.1%
Community College Subtotal	133,338,066	2,666,761	136,004,827	0	2,666,761	136,004,827	2.0%
Linn State Technical College	4,540,164	90,803	4,630,967	0	90,803	4,630,967	2.0%
Central Missouri State University	53,827,478	1,076,550	54,904,028	0	1,076,550	54,904,028	2.0%
Southeast Missouri State University	43,832,008	876,640	44,708,648	0	876,640	44,708,648	2.0%
Missouri State University	80,295,971	1,605,919	81,901,890	0	1,605,919	81,901,890	2.0%
Lincoln University	16,752,592	335,052	17,087,644	0	335,052	17,087,644	2.0%
Truman State University	40,768,154	815,363	41,583,517	0	815,363	41,583,517	2.0%
Northwest Missouri State University	29,866,436	597,329	30,463,765	0	597,329	30,463,765	2.0%
Missouri Southern State University	21,112,134	422,243	21,534,377	0	422,243	21,534,377	2.0%
Missouri Western State University	20,766,117	415,322	21,181,439	0	415,322	21,181,439	2.0%
Harris-Stowe State University	9,810,682	196,214	10,006,896	0	196,214	10,006,896	2.0%
University of Missouri	400,819,361	8,016,387	408,835,748	0	8,016,387	408,835,748	2.0%
University of Missouri-KC School of Dentistry	1,000,000	0	1,000,000	0	0	1,000,000	0.0%
Four Year Institution Subtotal	718,850,933	14,357,019	733,207,952	0	14,357,019	733,207,952	2.0%
Two and Four Year Institutions Subtotal	856,729,163	17,114,583	873,843,746	0	17,114,583	873,843,746	2.0%
MOREnet	10,153,081	0	10,153,081	0	0	0	0.0%
University of Missouri Hospitals and Clinics	13,135,457	0	13,135,457	0	0	0	0.0%
Missouri Rehabilitation Center	10,116,691	0	10,116,691	0	0	0	0.0%
Missouri Institute of Mental Health	1,839,880	0	1,839,880	0	0	0	0.0%
Renal Disease Treatment	4,016,774	0	4,016,774	0	0	0	0.0%
State Historical Society	830,341	0	830,341	0	0	0	0.0%
UM Related Subtotal	40,092,224	0	40,092,224	0	0	0	0.0%
Total Higher Education Institution General Revenue and Lottery Appropriations	896,821,387	17,114,583	913,935,970	0	17,114,583	873,843,746	1.9%

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FY 2007 Pay Plan Summary

4% Pay Raise across-the-board for all state employees (does not include elected officials or judges)

The costs of this recommended pay raise are as follows:

Without fringe \$41.6M GR + \$11.8M Federal + \$24.8M Other Funds for a total of \$78.2 million

Including fringe \$50.0M GR + \$14.4M Federal + \$29.2 M Other Funds for a total of \$93.6 mill

Selected Repositioning recommended by the Personnel Advisory Board (PAB)

The costs for the Repositioning Plan are as follows:

Without fringe \$8.9M GR + \$164K Federal + \$856K Other Funds for a total of \$9.9 million

Including fringe \$10.7M GR + \$199K Federal + \$1.0M Other Funds for a total of \$11.9 million

The Repositioning Plan will address situations in job classes where recruitment and retention issues affect the ability of the agencies who are part of the Uniform Classification & Pay (UCP) System to perform their work. These positions include: Corrections Officers, nurses in all departments, and law enforcement officers in the Water Patrol, Capitol Police, Liquor Control, Fire Inspectors and Park Rangers. LPN's and RN's will receive an additional 8% pay increase above the 4%. This will affect approximately 1,000 state employees. The remaining positions noted above will receive an additional 4% increase above the 4% across the board. This will affect approximately 5,900 state employees.

4% plus Repositioning Summary

Without fringe \$50.5M GR + \$11.9M Federal + \$25.7M Other Funds for a total of \$ 88.1 million

Including fringe \$60.7M GR + \$14.6M Federal + \$30.2M Other Funds for a total of \$105.5 million

This is the largest across-the-board pay raise for all state employees since FY 1986. Phase III of the uniformed highway patrol officers pay plan is not included in the numbers above. The Governor is also recommending this in his budget in addition to the above.